

Message Text

LIMITED OFFICIAL USE

PAGE 01 CANBER 06654 070747Z

13

ACTION EA-14

INFO OCT-01 IO-14 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10

L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 ACDA-19 AID-20 EB-11 COME-00 TRSE-00 INT-08

SCI-06 SCEM-02 DLOS-06 COA-02 DRC-01 /181 W

----- 060971

R 070620Z DEC 73

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 2135

INFO AMCONSUL BRISBANE

AMCONSUL MELBURN

AMCONSUL PERTH

AMCONSUL SYDNEY

AMEMBASSY TOKYO

USMISSION GENEVA

LIMITED OFFICIAL USE CANBERRA 6654

E.O. 11652: N/A

TAGS: EMIN, ENRG, AS, PBOR

SUBJ: MINISTER INTRODUCES PETROLEUM AND MINERALS

AUTHORITY LEGISLATION

REF: (A) CANBERRA A-261 (NOTAL) (B) CANBERRA A-120 (NOTAL)

1. MINERALS AND ENERGY MINISTER CONNOR INTRODUCED INTO PARLIAMENT DECEMBER 4 LONG-AWAITED LEGISLATION TO ESTABLISH FORMALLY A PETROLEUM AND MINERALS AUTHORITY (PMA). THE AUTHORITY WAS FIRST OUTLINED TO PARLIAMENT BY CONNOR ON APRIL 12 (REF B) AND HAS HAD AN EXECUTIVE HEAD FOR SEVERAL MONTHS. HOWEVER, THE GOA HAS ONLY NOW ACTED TO CREATE THE NEW ENTITY BY LAW.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 CANBER 06654 070747Z

WM NOTING THAT MANY OTHER COUNTRIES HAVE GOVERNMENTAL

AGENCIES PARTICIPATING IN "THE OIL BUSINESS," CONNOR SAID THAT THE PMA'S FUNCTION WILL BE:

(A) TO DEVELOP AUSTRALIA'S PETROLEUM AND MINERALS RESOURCES;

(B) TO ASSIST IN IMPLEMENTING GOA'S POLICY OF PROMOTING AUSTRALIAN OWNERSHIP AND CONTROL OF LOCAL NATURAL RESOURCES AND RESOURCE INDUSTRIES AND SPECIFICALLY TO "ASSIST (NEW) MINING UNDERTAKINGS TO GET THEM OFF THE GROUND AND THEREBY HELP THEM TO REMAIN AUSTRALIAN AND SAVE THEM FROM FALLING INTO FOREIGN HANDS."

THE NEW AUTHORITY WILL ACT AS DO PRIVATE COMPANIES BY EMPLOYING ITS OWN PERSONNEL AND EQUIPMENT IN OIL AND MINERALS SEARCH, LETTING OUT CONTRACTS FOR SEARCH, ACTING AS PARTNERSHIP WITH COMPANIES AND IN APPROPRIATE CASES TAKING SHARES IN COMPANIES, ACCEPTING "FARM-INS" TO ATTRACTIVE AREAS AND GRANTING "FARM-OUTS" TO AREAS HELD IN ITS OWN RIGHT. PMA WILL BE ONE OF THE GOA AUTHORITIES HELPING FORMULATE "AN ANNUAL ENERGY BUDGET TO BE ADMINISTERED BY A NATIONAL FUEL AND ENERGY BODY."

3. THE MINISTER EMPHASIZED THAT THE PMA AND GOA RESOURCES POLICIES ARE NOT "ANTI" ANYONE BUT INSTEAD ARE "FOR" AUSTRALIA. NOTING THE CONTRIBUTIONS OF OVERSEAS COMPANIES TO AUSTRALIAN DEVELOPMENT, CONNOR STRESSED THAT THE GOA'S OBJECTIVES OF INCREASING LOCAL OWNERSHIP AND CONTROL OF THE NATION'S ASSETS WILL NOT BE ACHIEVED BY "USURPING THE RIGHTS OF THOSE OVERSEAS ORGANIZATIONS WHICH HAVE A MAJORITY CONTROL OF OUR RESOURCES." INSTEAD, DIRECT GOVERNMENTAL CONTRIBUTIONS TO EXPLORATION AND DEVELOPMENT THROUGH PMA WILL BE MAJOR MEANS OF ACHIEVING THESE GOA OBJECTIVES. GOA WELCOMES THE CONTINUED PARTICIPATION AND ASSISTANCE OF OVERSEAS COMPANIES, "WHO WILL FIND US (GOA) NOT UNAPPRECIATIVE OF THEIR PROBLEMS AND NEEDS," CONNOR SAID. FOREIGN COMPANIES, HOWEVER, MIGHT FIND THEMSELVES CAUGHT IN STATE-FEDERAL GOVERNMENT CROSSFIRE. THE MINISTER BLUNTLY WARNED THAT, WHILE GOA WILL SEEK STATE COOPERATION, IT WILL NOT HESITATE TO BLOCK THROUGH ITS EXPERT CONTROL POWERS EXPORT-ORIENTED MINERALS PROJECTS WHICH ARE LICENSED BY STATE GOVERNMENTS BUT WHICH CONFLICT LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 CANBER 06654 070747Z

WITH THE "NATIONAL INTEREST" AS DEFINED BY CANBERRA. "THE (FEDERAL) GOVERNMENT WOULD FEEL ITSELF UNDER NO OBLIGATIONS IN THESE CIRCUMSTANCES," CONNOR STATED.

4. CONNOR SPECIFICALLY NOTED THAT THE PMA BILL REFERS TO THE "AUSTRALIAN CONTINENTAL LAND MASS." HE SAID THAT THE INTERNATIONAL COURT OF JUSTICE HAS EMPHASIZED THE "MORPHOLOGICAL CONCEPT" REGARDING SEA BED RESOURCES, WHICH

CONNOR DEFINED AS MEANING "THAT THE CONTINENTAL SHELF IS THE NATURAL PROLONGATION UNDER THE SEA OF THE LAND MASS OF THE COASTAL STATE, OUT TO THE LOWER EDGE OF THE MARGIN, WHERE IT SLOPES DOWN TO AND MERGES IN THE DEEP OCEAN FLOOR OR ABYSSAL PLAIN." THE MINISTER STATED THAT GOA HAS "ADOPTED THIS CONCEPT AS THE AREA OVER WHICH IT EXERCISES JURISDICTION AND EXPOUNDS THAT POLICY IN THIS BILL." IN ADDITION, PMA WILL NOT BE RESTRICTED TO AUSTRALIAN TERRITORY AND WATERS BUT WILL BE FREE TO OPERATE IN FOREIGN COUNTRIES.

5. AS IN PREVIOUS STATEMENTS, CONNOR MADE POINTS THAT GOA WILL HONOR EXISTING CONTRACTS "TO THE FULL." HOWEVER, IT WILL AIM TO INCREASE LOCAL PROCESSING OF RESOURCE EXPORTS AND INSIST ON FAIR AND REASONABLE RETURNS FOR AUSTRALIAN EXPORTS, ENSURING THAT NEITHER BUYER NOR SELLER SUFFERS WIND-FALL LOSSES OR ENJOYS WINDFALL GAINS DUE TO EXCHANGE RATE MOVEMENTS.

6. EMBASSY COMMENT: CONNOR'S SPEECH CONTAINED NO SURPRISES, EXCEPT PERHAPS THE PAINS TAKEN TO PUT GOA AND MPA IN REASONABLE LIGHT. DESPITE HIS WARNING THAT STATES SHOULD NOT LICENSE EXPORT-ORIENTED MINERALS PROJECTS THAT GOA WILL BLOCK, CONNOR'S FAMOUS BARK WAS LARGELY MUFFLED. HIS SPEECH CLEARLY REINFORCES IMPRESSIONS THAT GOA POLICIES AND ATTITUDES ON FOREIGN OWNERSHIP HAVE BECOME MORE FLEXIBLE IN RECENT WEEKS AND THAT IT NOW RECOGNIZES MORE CLEARLY NEED TO INCREASE PETROLEUM AND MINERALS DEVELOPMENT.
GREEN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LAW, CABINET, PETROLEUM, PETROLEUM INDUSTRY, SEABED, PETROLEUM PRODUCTION, SPEECHES, MINERALS, PERSONNEL APPOINTMENTS, GOVERNMENT MINISTRIES, POSIT ION AUTHORIZATION, MINERAL RESERVES
Control Number: n/a
Copy: SINGLE
Draft Date: 07 DEC 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973CANBER06654
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: CANBERRA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731239/aaaabcho.tel
Line Count: 144
Locator: TEXT ON-LINE
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: (A) CANBERRA A-261 (NOTAL) (B) CANBE, RRA A-120 (NOTAL)
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 17 OCT 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <17-Oct-2001 by kellew0>; APPROVED <13-Dec-2001 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MINISTER INTRODUCES PETROLEUM AND MINERALS AUTHORITY LEGISLATION
TAGS: EMIN, ENRG, PBOR, AS, (CONNOR, REGINALD F X)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005